

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Other Than Full and Open Competition

1. **Contracting Activity:** Department of Veterans Affairs, VISN-12 Great Lakes Acquisition Center, 115 South 84th Street, Milwaukee WI 53214 on behalf of the Edward Hines, Jr., Veterans Hospital, Hines, IL.
2. **Nature and/or Description of the Action Being Processed:** Approval is requested to award a firm fixed price contract for continued and uninterrupted lease of Fujifilm endoscopes at the Hines VA Hospital in Chicago, IL. The current contract will expire on September 30, 2013. The proposed contract will be for one year to allow Fujifilm to complete its application for an FSS contract. The estimated value of this contract is [REDACTED] which includes rental and service.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:**
Lease of Fujifilm endoscopes and digital processors to provide patient care for veterans at the Hines VA Hospital. This will be a twelve month base period with no option period.
4. **Statutory Authority Permitting Other than Full and Open Competition:**
(X) (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):**
In compliance with the national standardization requirement, the Hines VA Hospital replaced previously owned Fujifilm scopes and digital processors with new equipment leased from Fujinon (now Fujifilm). Fujifilm endoscopes cannot be used in conjunction with endoscopes leased by other manufacturers who are approved as part of the national standardization requirement. It would be impractical to replace all of the endoscopic equipment presently in use at the hospital due to the exorbitant costs that would be incurred to change the scopes and imaging systems, training all personnel in the use of the equipment and delay in performing diagnostic testing during the transition period. The NAC has granted a waiver for this procurement (10/1/2013 – 9/30/2014) while Fujifilm completes the process of obtaining an FSS contract.
6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** VHA required national standardization of GI endoscopes. Stations were required to establish an approved government leasing agreement one of three major endoscope manufacturers; Pentax, Olympus, or Fujinon. Hines elected to establish an agreement with Fujinon since the existing endoscopes at Hines at the time of the original agreement were Fujinon. Fujinon has since reorganized and is now Fujifilm Medical Systems. Fujifilm is working with the NAC to establish an FSS schedule under the newly reorganized company. A waiver was received from the NAC for the period of October 1, 2013 through September 30, 2014 to continue using Fujifilm endoscopes and stay in compliance with the national standardization initiative.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable: If the government chose to switch to another vendor at this time it would be a very expensive venture. All professional personnel would have to be trained in the use of the new endoscopes and the imaging system. During this transition period all elective patient procedures would be suspended until the entire transition could be accomplished and emergency procedures would have to be completed at the affiliated facility.

The current contract for the lease of Fujifilm endoscopes, VA69D-13-C-0015 will expire on September 30, 2013. This new contract will have the same pricing. The lease of the scopes with Fujifilm is estimated at [REDACTED] per month. By comparison, similar equipment leased from another vendor approved on the national standardization initiative is priced at [REDACTED] per month, thus the Fujifilm lease shows a 14% savings. Therefore staying with the existing vendor is a cost savings to the government.

8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted: A waiver has been received from the NAC for the period of October 1, 2013 through September 30, 2014 while Fujifilm continues to work with the NAC to establish an FSS contract. There are only two other vendors approved under the national initiative to lease endoscopes. The scopes and imaging systems are proprietary to the individual vendors and the vendor systems are not compatible with each other. There is more involved than just the lease of the scopes. The scopes must be compatible with the existing imaging system. The existing system is only compatible with Fujifilm scopes.

9. Any Other Facts Supporting the Use of Other than Full and Open Competition: Lease agreements under the national standardization agreements are 36-month agreements. This procurement is for the last 12 months of that agreement. As stated in #7 above it would not be cost effective to switch to another vendor at this time. The scopes and imaging systems are proprietary to the individual vendors and the vendor systems are not compatible with each other. Changing to another vendor would result in possible termination charges for not completing the 36-month agreement upon which the vendor based their original fixed price.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:
None

11. A Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barriers to Competition before Making subsequent acquisitions for the supplies or services required:
This acquisition is being set-up for a twelve-month base period. At the end of this contract facility must request a new waiver from the NAC to continue leasing Fujifilm endoscopes or compete the requirement with vendors holding schedule 65 schedule for the lease of GI endoscopes.

12. Requirements Certification: I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge and belief.

VA69D-13-AP-5418

Ron Cherry
Ronald Cherry, FAC-PPM
Assistant Chief of Logistics
Edward Hines, Jr., Veterans Hospital

9/4/13
Date

13. Approvals in accordance with FAR 6.304

- a. Contracting Officer's Certification (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Ross Blucholz
Ross Blucholz
Contracting Officer
VISN 12, Great Lakes Acquisition Center

9/4/2013
Date

- b. NCM/PCM (Required \$3K and above): I certify the justification meets requirements for other than full and open competition.

Christine Hansen
Christine Hansen
Network Contract Manager
VISN 12
Great Lakes Acquisition Center

9/11/2013
Date